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Classified By: Ambassador William J. Burns. Reasons: 1.4 (b,d).

11. (C) Summary: Putin's problem is that there is no political or honorific perch that will ensure his ability to check the powers granted by the constitution to his successor and, by ruling out a constitutional amendment allowing a third term, some observers believe that he has boxed himself in a corner. While Putin retains the upper hand and has kept both supporters and detractors off-balance, many believe that his political machinations are motivated by a basic distrust of his inner circle. Increasingly, the Duma elections are seen as a referendum on Putin, and one that will re-legitimize him electorally as he leaves office. The ruling party's expected rout leaves little room for the opposition, and seems to have ended the short-lived experiment with forming the officially sanctioned opposition Just Russia party, as well as precluded a liberal party presence in the Duma. There is some debate over whether the "real" contenders for the presidency are limited to PM Zubkov and First Deputy Prime Ministers Medvedev and Ivanov, with a trial balloon over a return to "collective leadership" largely dismissed. The mini-cult of personality that surrounds Putin dismays even ruling party moderates. The lack of clarity over a post-Putin power structure has injected an element of uncertainty that may well intensify with the election of his successor. End Summary

All Bad Choices

12. (C) With time to reflect on Putin's surprise announcement that he would lead the ruling party into the December Duma elections, the paradox confronting the Russian President has become more pronounced. Kremlin watchers stress to us that Putin's problem is that he cannot finesse the constitution's concentration of power in the hands of the President. "Leader of the nation," a Russian "Deng," or, as one commentator gibed, an "Ayatollah Putin" are not part of the Russian political lexicon. In a series of conversations with Eko Moskvy Editor Aleksey Venediktov, Carnegie Center's Liliya Shevtsova and Masha Lipman, Center for Political Technologies Aleksander Makarenko, and Foundation for Effective Policy Gleb Pavlovskiy, the one point of agreement among the sharply differing analysts was that, having signaled his intention to remain in the political thick of things without amending the constitution, Putin now faced a bad set of choices:

-- Prime Minister: While Putin stipulated easy preconditions for taking up the mantle of Prime Minister (reftel a), observers question his readiness to assume what is clearly a subordinate position. Yabloko leader Grigoriy Yavlinskiy told the Ambassador that it was increasingly unlikely that Putin would opt for the prime ministership,

given the optics of having to serve at his successor's sufferance. Even Pavlovskiy who has spun publicly the concept of a strong prime ministership ceded the point privately, noting that "all the real decisions are made by the President." Putin becoming Prime Minister gains greater plausibility with a constitutional rejiggering of authorities, but analysts believe that the moment for a dignified restructuring of political powers passed in 2006. Lipman concluded that Putin has boxed himself in a corner, but could not remain out of power for any length of time, for fear of losing his hold.

-- United Russia Party Leader: An improbable choice given Putin's general disdain for politicians, and specific disregard for the many bureaucrats and hacks that crowd the ranks of the ruling party. Putin's refusal to join the party, despite heading its party list, and his insistence that the two other seats in the federal "troika" go unoccupied, cast doubt on his interest in tying his legacy to the foibles of the party. Already, Pavlovskiy warned, Putin would be tarnished by association with the motley crew that head many of the party's regional lists.

-- Duma Chairman: As party leader, with a presumed constitutional majority, Putin would hold important levers, including the power to initiate the impeachment of the President (which would still require a two-thirds approval of the Federation Council), to confirm the Prime Minister, to veto legislation, to amend the constitution, and to determine budgets, while retaining immunity from prosecution. While the Duma would be a suitable perch for an early return to the presidency, allowing Putin a visible political role, without the day-to-day responsibilities of office, the downsides would be both psychological and political. As one among

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many, Putin would have to fear the Kremlin's ability to subvert his majority through the blandishments of power -- a power that would remain concentrated in the presidency. Nevertheless, many have read Putin's emphasis during his recent "telebridge" on the need for an effective Duma to uphold his legacy as a signal that he is seriously considering taking up the chairmanship. (Note: Putin does not have to make a decision in December. He can decline a Duma seat, serve out his term until the May 7 inauguration of his successor, and then fill a "vacancy" that would emerge in the United Russia parliamentary ranks.)

-- Federation Council Chairman: While little more than a rubber stamp in the current political set-up, Putin could use the Council's constitutional role of approving legislation and constitutional amendments as a break or lever on the policy agenda. Theoretically, the position would provide Putin with a low stress, high profile role in managing center-periphery relations. The Council also has the final word on impeachment.

-- Security Council Secretary: An amorphous position, left unfilled since Igor Ivanov's July 2007 resignation, the Secretary has no constitutional standing and no check over

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the President's domination of foreign policy. Pundits see this scenario as the closest to forging a Deng-like role for Putin. While the position would provide Putin a political sinecure within the Kremlin walls, and a writ to engage in the foreign policy statesmanship of which he has become increasingly fond, no one believes that chairing the Security Council would stave off the post-presidential erosion of Putin's authority.

-- Chairman of the Constitutional Court: A lofty-sounding position, headquartered -- thanks to Putin -- in the President's home town of St. Petersburg, the chairmanship would allow Putin to invalidate laws, amendments and treaties on constitutional grounds. The 15-year sinecure would

provide him with continued personal immunity. However, in a country where laws have little to do with practice or the distribution of power, the Court is hardly a feared presence and Russians would be hard-pressed to identify the current incumbent.

-- Russian Olympic Committee Chairman: Putin could capitalize on Russian pride in capturing the 2014 Winter Olympics, while enjoying a high visibility, low-risk perch. The position would provide no check over the actions of his successor, but would keep Putin in the public eye, close to a multi-billion dollar spending trough, while serving as a reminder of a signal Putin policy triumph.

-- "Elder" Statesman: No one rules out a decision by Putin to retire from the political limelight, while influencing policy from behind-the-scenes. The received wisdom is that Putin can expect a year to 18 months of control, before a hand-picked successor and his "new praetorians" would ease out or undo Putin-era appointments.

-- President? At this stage, few believe that Putin would entertain a third consecutive term as President, although Yavlinskiy told the Ambassador that this was more credible than a prime ministerial scenario. It would be a humiliating come-down from Putin's emphatic public statements that the constitution should not be amended "for one man," would throw into question his international standing and legitimacy, and raise real questions about the intensity of intra-Kremlin power struggles (reftel b) that necessitated such a drastic step. Nevertheless, there remains a steady drumbeat of calls for a third Putin term, with Oscar-winning movie producer Nikita Mikhalkov issuing an appeal in the name of the 60,000-strong Artists Union, with Kremlin insiders such as Kremlin Deputy Chief of Staff Surkov resuscitating the "FDR model" in public seminars and interviews, and with "spontaneous" demonstrations across the country calling for Putin to reconsider.

¶3. (C) At this stage, the political establishment is in agreement that Putin has foreclosed no option, and remains intent on fostering an atmosphere of uncertainty that underscores his central and inimitable role in casting Russia's political future; however, they debate whether this is a sign of presidential strength or weakness. Both Venediktorov and Shevtsova portray Putin's decision to head the party as a vote of no confidence in his inner circle to protect him after his departure from the Kremlin, and as evidence that the "Yeltsin model" has been rejected. Putin's guard dogs, including Sechin, Shevtsova argued, are "too vicious" to trust. Shevtsova argued that Putin was thwarted in carrying out a major restructuring of his cabinet in September by his inability to do so without tipping his hand in advance. Analysts closest to the Kremlin believe that the

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degree of Putin's success in the Duma elections, as well as the political dynamics during the interregnum between the March presidential elections and May inauguration, will provide the final, critical input in Putin's decisionmaking process.

A Referendum, not an Election

¶4. (C) Increasingly, the December Duma elections are viewed here as a personal referendum on Putin. By leading United Russia to triumph, Putin will attempt to score a higher vote count than his successor can secure in the March presidential elections. The by-product (and perhaps the goal) will be a constitutional majority for the ruling party. Electorally "refreshed" and "legitimized," Putin will seek to transfer the authority generated by his December electoral rout to any position that he elects to hold. Yavlinskiy and Makarenko are among those who described Putin's gambit as another step in the over-personalization of politics underway in Russia,

which could produce as much as a 75 percent landslide for the outgoing President. Politicians tell us that orders have been given to regional leaders to generate 70 percent turnouts for the ruling party, with one senior Dagestani politician maintaining that the ethnic republics would "overfulfill the plan" and produce 90 percent acclamations, unless formally dissuaded. Pavlovskiy told us that ruling party members are prohibited from discussing the prospect of a constitutional majority, so as not to dampen voter turnout.

(Latest Levada Center polls show United Russia at 68 percent popularity, up from 55 percent in September, whereas VITSOM has consistently shown United Russia running 10 points lower.)

Political Party Development the First Victim

15. (C) By turning the election into a referendum on Putin, the Kremlin has sharply curtailed the potential for a viable political opposition to emerge. With United Russia expected to pull down 60-75 percent of the vote, the Communists a reliable 10-15 percent (if not higher), and ten small parties eating up at least 8 percent of the vote, the question remains whether Zhirinovskiy can flog his brand of outrageous nationalism across the 7 percent threshold, when polls have him holding at a steady four-five percent. All but vanquished is the notion of an "official" opposition party that would serve as a refuge for second-tier elites and provide for limited elite competition, with Just Russia's Mironov allegedly conceding to political allies that he was "outsmarted by (Kremlin ideological chief) Surkov." In the last three weeks, Just Russia has faced a hemorrhaging of regional elites, with angry supporters allegedly seeking refunds on their purchases of prime party list slots. While Makarenko was not prepared to conduct last rites, arguing that Just Russia still had a final chance to capitalize on a popular message of social justice, Pavlovskiy savaged Mironov as "an idiot," who was incapable of taking advantage of Putin's protection to form a viable party over the last year and would need a "miracle" to survive. Current polling of intending voters predicts a two-party Duma.

16. (C) Like SPS leader Anatoliy Chubais (reftel c), Yavlinskiy told the Ambassador that he was realistic about Yabloko's chances in the December 2 elections, but was more upbeat about the long-term fate of liberal parties. Yabloko was convinced that the lack of property rights would eventually strike a sympathetic chord with the electorate. His party's task was to preserve space for liberals in the political spectrum. Yavlinskiy agreed that there was no grassroots movement yet; people were "too preoccupied with their daily lives," but he was confident that a movement would materialize, and he even guessed that Putin's decision to affiliate with United Russia may have improved Yabloko's marginal chances in the December contest. Putin's decision to ally himself with a party had clarified the atmosphere, and might make "people less interested in imitation brands" of democratic parties.

And the President is...

17. (C) With the appointment of Zubkov as Prime Minister upsetting previous succession calculations, the debate now centers on whether the set of presidential candidates has been fully unveiled. Makarenko endorsed Kremlin-insider Vyacheslav Nikonov's conclusion that there were only three real contenders: Prime Minister Zubkov, and First Deputies Medvedev and Sergey Ivanov. Makarenko argued that while 40 percent of voters will select whomever Putin supports, the question presupposes that Putin's nominee be a known statesman. Noting that it took 18 months to build up Medvedev in the polls, Makarenko questioned whether there was

mandate in the Duma elections, he could designate any credible candidate as his successor with very little spadework.

¶18. (SBU) The media tracking company "Medialog" provides insight into the intensity of the grooming process, documenting that in the period September 22-28, Zubkov was mentioned 208 times on state-controlled channels, compared to Ivanov's 115 and Medvedev's "mere" 53. Expanding the picture to include all references on television, Zubkov's dominance held, with his 2116 appearances more than double Ivanov's 1016 and about four times greater than Medvedev's 533. According to the most recent polls, Zubkov has yet to overtake his rivals, but streaked from zero to 13 percent in a three-week period. (When Putin's name is added to the mix, no other candidate polls more than 3 percent, to the Russian President's 63 percent draw.)

A Return to Collective Leadership?

¶19. (C) For a true believer in the third term scenario, such as Pavlovskiy, the list of candidates is long, but always comes up short because "no one compares to Putin." Instead, Pavlovskiy has floated the trial balloon of a return to "collective leadership," as was the case in the aftermath of Stalin's death and Khrushchev's ouster. While it takes a remarkable excess of nostalgia to view either period as halcyon, Pavlovskiy argues that they "were not bad years" and makes the case for a diffuse decisionmaking, a leaching of authority from the presidency, and the centrality of Putin in balancing the rival power centers. Many scoff, including Eurasia Foundation's Andrey Kortunov and Carnegie's Shevtsova, who both argue that Russia lacks strong institutions that would provide an arena for real competition. A power vertical, Shevtsova added, by definition precluded the space necessary for rival power centers and Putin knew from personal experience that "new clans, and new praetorians" would form around his successor. While United Russia's Chairman of the Duma's Constitutional Committee Vladimir Pligin forecast to us a "redistribution" of powers between the presidency, prime ministership, and parliament, as part of an evolutionary reform of the 1993 constitution, he suggested that it would emerge only after Putin's dominance over the political system had faded.

And a Resurrection of a Mini-Cult of Personality?

¶10. (C) Within the hothouse of Moscow politics, there is some disquiet and a fair measure of embarrassment over the trappings of the cult of personality that have begun to form around Putin. Raising eyebrows have been the ubiquitous "Putin's Plan - Russia's Victory" billboards that blanket the country; the 10,000 youth activists who celebrated the President's October 7 birthday in downtown Moscow, undissuaded by pouring rain; the Mikhailov petition for a third term, coupled with his sycophantic television show "55" that marked Putin's birthday and heralded his achievements; the imagery of Putin alone on the United Russia "troika" (with Newsweek Editor Leonid Parfyonov joking that even Stalin allowed his comrades their place on the mausoleum wall); and Putin's manifest pleasure in pulling the political wool over the eyes of his inner circle with the Zubkov appointment. While Venediktov charitably attributed it to a good public relations team, Makarenko called it "bad taste" and evidence of the extent to which Putin is prepared to pump up his electoral ratings. Lipman castigated the loyalty, "bordering on groveling," among the elites.

¶11. (C) Whether it is the "degeneration of the Russian elite" (Shevtsova) or a real grass-roots swell to secure the continuation of the one post-Soviet leader whose rule is associated with stability and economic growth (Pligin), the fact of Putin's outsized personality and domination of the political scene is viewed by political opposites as a paralyzing distortion of Russian politics. Pligin, speaking carefully, stressed that Russia needed to move beyond

personality, to "create the guts" of a real opposition, to protect and encourage civil society, and to grant real private property rights. While institutions are needed to regulate the balance of power in Russia, Pligin said the political short-term would depend on Putin's choices, with Russian pre-Revolutionary or post-Soviet history providing few guideposts for this political evolution. In the meantime, Shevtsova commented, decisionmaking had ground to a halt, as risk-averse bureaucrats wait for the power struggle to resolve itself.

Comment

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¶12. (C) The inherent contradiction between ensuring Putin's long-term political influence, while overseeing his departure from the presidency, will continue to color decisionmaking and preoccupy the Kremlin leadership. While Putin remains firmly in charge now, he has injected an element of uncertainty in Russia's political future that is not likely to be resolved -- and may well intensify -- with the election of his successor in March.

Burns